

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CAPITAL NETWORK)	
SYSTEM, INC. FOR A CERTIFICATE)	CASE NO. 93-298
TO RESELL TELECOMMUNICATIONS SERVICE)	

O R D E R

On August 20, 1993, Capital Network System, Inc. ("Capital Network") filed an application with the Commission seeking a Certificate of Public Convenience and Necessity to resell intrastate long-distance telecommunications services within the Commonwealth of Kentucky. Capital Network was ordered to file additional information on October 1, 1993. Capital Network filed its response on October 29, 1993.

Capital Network is a Texas corporation with its principal offices in the state of Texas and intends to resell tariffed services of facilities-based carriers certified by this Commission. Capital Network requests authority to provide operator-assisted telecommunications services.

Capital Network filed its proposed tariff on August 20, 1993. In response to the Commission's request for additional information, Capital Network filed revised tariff sheets on October 29, 1993. The Commission finds that Capital Network has revised its tariff to comply with the restrictions, guidelines, and conditions of service established for the provision of operator-assisted services in

Administrative Case No. 330,¹ which are attached hereto and incorporated herein as Appendix A.

Capital Network does not own or operate, nor does it intend to construct, any telecommunications transmission facilities within the Commonwealth of Kentucky. All intrastate telecommunications transmission services will be provided by an underlying carrier certified by this Commission.

The application submitted by Capital Network demonstrates its financial, managerial, and technical capability to provide utility service. The Commission finds that Capital Network should be authorized to resell intrastate long-distance telecommunications services within the Commonwealth of Kentucky including operator-assisted services. The Commission further finds that the rates proposed by Capital Network should be approved as the fair, just, and reasonable rates to be charged.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, HEREBY ORDERS that:

1. Capital Network be and it hereby is granted authority to resell intrastate long-distance telecommunications services within the Commonwealth of Kentucky on and after the date of this Order.
2. Capital Network be and it hereby is granted authority to provide intrastate operator-assisted services.

¹ Administrative Case No. 330, Policy and Procedures in the Provision of Operator-Assisted Telecommunications Services, Orders Dated March 27 and May 3, 1991.

3. IntraLATA services shall be provided in accordance with the restrictions and conditions of service contained in Administrative Case No. 323.²

4. Capital Network's authority to provide service is strictly limited to those services described in this Order, Capital Network's application, and the conditions described in this Order and in Appendix A.

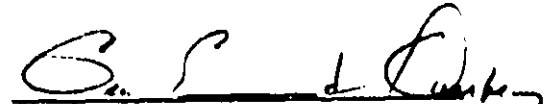
5. The rates proposed by Capital Network on August 20, 1993 as revised on October 29, 1993 are hereby approved.


6. Within 30 days from the date of this Order, Capital Network shall file its tariff sheets, as revised on October 29, 1993, without modifications pursuant to 807 KAR 5:011 and to conform to the restrictions and conditions of service contained herein.

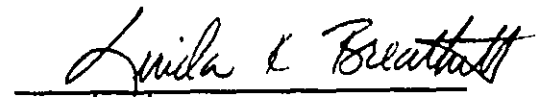
² Administrative Case No. 323, An Inquiry Into IntraLATA Toll Competition, An Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, and WATS Jurisdictionality, Phase I, Order Dated May 6, 1991.

Done at Frankfort, Kentucky, this 24th day of November, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-298 DATED NOVEMBER 24, 1993.

Conditions of Service for the Provision of Operator Services Adopted from Commission Orders in Administrative Case No. 330, Orders Dated March 27, 1991 and May 3, 1991.

(1) Operator-assisted services shall be subject to rate regulation and rates shall not exceed AT&T Communications of the South Central States, Inc.'s ("AT&T") maximum approved rates. "Maximum approved rates" is defined to mean the rates approved by this Commission in AT&T's most recent rate proceeding for measured toll service applicable to operator-assisted calls, as well as the additional charges for operator assistance. Carriers are not permitted to include any other surcharges or to bill for uncompleted calls. Time-of-day discounts shall also be applicable. Carriers are also required to rate calls using the same basis that AT&T uses to rate calls, i.e., distance calculations based on points-of-call origination and termination, definitions of chargeable times, billing unit increments, rounding of fractional units, and minimum usages. When there is any change in AT&T's maximum approved rates, carriers shall file tariffs if necessary to comply with the requirements herein within 30 days of the effective date of AT&T's rate change.

(2) Except as otherwise indicated in this Order, non-dominant carriers shall be subject to regulation as delineated in the May 25, 1984 Order in Administrative Case No. 273 as well as any subsequent modifications to non-dominant carrier regulations. In the event of conflict, the terms of the instant Order shall take precedence, unless

a carrier is specifically relieved from compliance with any conditions contained herein. AT&T shall remain subject to regulatory oversight as a dominant carrier.

(3) Operator service providers that provide service to traffic aggregators shall not allow access to the operator services of competing carriers to be blocked or intercepted. Blocking and interception prohibitions shall be included in tariffs and all contracts entered into with any traffic aggregator and shall state that violators will be subject to immediate termination of service after 20 days' notice to the owners of non-complying customer premises equipment.

(4) Traffic aggregator is defined to mean any person that, in the ordinary course of its operations, makes telephones available to the public or to transient users of its premises for intrastate telephone calls using a provider of operator services. Aggregators include hotels and motels, hospitals, universities, airports, gas stations, and non-local exchange carrier pay telephone owners. This definition includes the provision of all non-local exchange carrier pay telephones even if no compensation is paid to the owner of the pay telephone. The residential use of operator services is specifically excluded from this definition.

(5) Access to the local exchange carriers' operators shall not be blocked or otherwise intercepted by traffic aggregators. Specifically, all "0-" calls, that is, when an end-user dials zero without any following digits, shall be directed to the local exchange carrier operators. In equal access areas, "0+" intraLATA calls, that is, when an end-user dials zero and then dials the digits of the

called telephone number, shall not be intercepted or blocked. In non-equal access areas, it is prohibited to block or intercept "0-" calls; however, it is permissible to intercept "0+" calls. Blocking and interception prohibitions shall be included in tariffs and all contracts entered into with any traffic aggregator and shall state that violators will be subject to immediate termination of service after 20 days' notice to the owners of non-complying customer premises equipment.

(6) Carriers shall not be required to provide access codes of competitors. Each carrier should advise its own customers as to the appropriate 10XXX access code.

(7) Carriers shall provide tent cards and stickers to traffic aggregators to be placed near or on telephone equipment used to access their services and shall include provisions in tariffs and contracts entered into with any traffic aggregator that subject violators to immediate termination of service after 20 days' notice to the owners of non-complying customer premises equipment.

(8) Operators shall identify the carrier at least once during every call before any charges are incurred.

(9) Operators shall provide an indication of the carrier's rates to any caller upon request.

(10) Carriers shall not accept calling cards for billing purposes if they are unable to validate the card.